

## Sullivan County NH

Type of Meeting: Board of Commissioners – Public Meeting Minutes  
*Rescheduled from Oct 5th*  
Date / Time: Oct 12, Tuesday, 1:30 p.m.  
Place: Newport - Remington Woodhull County Complex, 1<sup>st</sup>  
Floor - Commissioners Conference Room.

**ATTENDEES:** Comm. Rudolf Adler - *Chair*, Donald Clarke – *Vice Chair* and Bennie Nelson - *Clerk*; Ed Gil de Rubio - *County Manager*; Dodi Violette - *Commissioners Office / Accounts Clerk I*; Robert Hemenway - *Nursing Home Administrator*; Julie Woodman - *Nursing Home Office Manager*; Frank Biron - *Melanson, Heath & Associates CPA/President*; Kristen Senz - *Eagle Times Staff Reporter*; Greg Chanis - *Facilities & Operations Director* (arrived later); and Sharon Johnson-Callum (*minute taker*).

*Public meeting taped.*

1:30 The Board of Commissioners' Chair brought the meeting to order. All recited the Pledge of Allegiance.

### AGENDA ITEM NO. 1 REVIEW OF MEETING MINUTES

A) SEP 7, B) SEP 21 PUBLIC, C) SEP 21 NON PUBLIC, D) SEP 27 SPECIAL MEETING

1:31 A motion was made to approve the meeting minutes, as typed, for Sep 7, 2004 Special Meeting, Sep 21 Public and Non Public, and Sep 27<sup>th</sup> Special Meeting.

Motion made by: Comm. Clarke.

Motion seconded by: Comm. Nelson.

Discussion: None.

Voice vote: All in favor. Unanimous.

### AGENDA ITEM NO. 2 PUBLIC PARTICIPATION

Comm. Adler acknowledged Eagle Times Reporter, Kristen Senz. No other public participation.

### AGENDA ITEM NO. 3 COUNTY AUDITORS EXIT INTERVIEW

County Manager introduced the County's FY 04 year-end auditor, Frank Biron, President of Melanson, Heath CPA's. County Manager indicated auditor exit interviews were routine and it allows the Commissioners and County Manager a chance to respond to issues written in the auditor's Management Letter.

Mr. Biron indicated Melanson, Heath CPA's, handles approximately 100 municipal audits per year. They are in their second year with the GASB, which he indicated is a complicated format. He noted the County is in accordance with general accounting principals as well as their accounting records are in very good shape.

The group followed along as he explained the different sections of the Sullivan County, New Hampshire Annual Financial Statements For the Year Ended June 30, 2004. The briefing included:

- Management Discussion and Analysis Page 3 – 9: a narrative.
- Statement of Net Assets Page 10 and Statement of Activities Page 11: financials based on GASB, which is a new form, so it may be difficult to read but eventually it can be used to begin tracking trends.
- Governmental Funds beginning on Page 12: similar to the old fashion financial statements.
- Transfers In and Out: dealing with, primarily, the County Nursing Home, moving money from General Fund to cover budgeted deficit. Recommendation, as noted in Management Letter, is to add a line in the Nursing Home budget for budgeted transfers. Biron pointed an amount of \$292,220 that appeared on the spreadsheet is a cash issue, that the General Fund column is the most important column in the spreadsheet, and that the bottom line- \$25,563 – reflects the surplus. He confirmed this amount is not excessive and is as close to “break even” as the County can get.
- Page 16: is budget vs. actual, \$133,992 is the over above of revenues budgeted with the majority of this coming in from the Registry of Deeds, \$541,153 is the year before tax base, expense side - \$432,724 is 4/10 %, shows you are running a very tight budget.
- Page 17 Proprietary Funds: discussed Net Assets, Capital Assets is Fixed Assets minus bonds payable. Real surplus is \$966,023 - is what Biron suggested is what he would look at on this statement. Accountants look at account receivables to acquire this information.
- Page 18: Nursing Home had a loss of \$551,507 - standing on it's own feet - and by previous years audits, this appears to be a lot better than past history.
- Page 20 Fiduciary Funds - Holding someone else's money: 1) inmate accounts, 2) Registry of Deeds and 3) Sheriff's Cash Account

Chair asked for questions / comments from Board of Commissioners.

***Q.** Commissioner Clarke asked if any deficits were outside normal range?*

**A.** Biron indicated no.

Commissioner Adler indicated they anticipate future discussions with Melanson, Heath CPA's on how to plan for reserve to use float peaks and valleys in budgeting.

#### MANAGEMENT LETTER

Biron explained as they perform the audits they search proactively for weaknesses. He explained their *Management Letter* included categories, with the “Reportable Condition”

as the most serious condition. He noted the County received one reportable condition - cash accounts not tracked by Treasurer, Sheriff's Office and Registry of Deeds. **Their recommendation:** no one person should control the accounts. He indicated the County Treasurer should have custody of all cash accounts. Person signing checks should not be same person as the one disbursing. All should be under the General Funds Account. Request must be made through Treasurer and disbursed like General Fund. This would improve controls and reduce risks. They have special fraud auditors who look for trends, but no guarantee against fraud. These days companies / municipalities must have attitude and atmosphere to indicate to all employees fraud is not approved. He pointed out some municipalities approve fraud policies, which Commissioners would approve, that includes procedures for employees, if they see someone committing a fraud they are required by policy to report it. County Manager concurred that the County Treasurer should handle the cash accounts and indicated he would impress this information on the Elected Officials.

Biron continued with other issues not serious but he felt worthy of reporting:

- Page 3, 2. Revise Various Accounting Procedures - Cash is being reconciled but procedures need tweaking: record budgeted transfers, avoid posting directly to fund balance accounts, reconcile general ledger to appropriation report - surplus - fund balance did not tie out with the accounting report, revise method of recording budget transfers: deals with the capital reserve ...he explained the Executive Finance Committee had the County debit the expense account but indicated this should not have been done ... can do budget transfer where the individual lines move but not bottom line, segregate year-end disbursements by year: this deals with vendor bills, close year-end surplus/deficit in Registry Funds: the Equipment Fund is the only thing which should be left in this fund, reconcile miscellaneous ledger balances: Dodi Violette will be doing this ... example given - a few fixed assets were recorded in General Fund and should not have been. Biron confirmed Violette could e-mail their firm any time to ask about how to handle lines and so forth.
- Void Printer Alignment Checks. Biron pointed out the County was trying to be frugal and save money by using "out of alignment checks" for manual checks. He pointed out this creates check out of order, which the auditors do not like. Their recommendation is to void the out of order check.
- Maintain a Log of Checks Used. Biron indicated Violette could do spreadsheet to account for all checks, which include voided checks.
- Improve Year-End Reporting at the Nursing Home. Biron indicated adjustments should be done prior to auditors coming in. County Manager pointed out this is a change in procedures requested by the previous auditors. Biron indicated their firm can point the County in the right direction, but because they handled the year-end audit, they recommend using an outside consultant CPA to periodically come in and make sure County is ready for the year-end audit and to handle any accounting questions found throughout the year.
- Improve Segregation of Duties Over Inmate Account. Biron explained this was higher risk and recommended the Treasurer reviewing the bank reconciliation.

Chair asked if anyone had questions.

*Q. Nursing Home Administrator, Hemenway, asked if Biron would be able to provide him with guidance on the transfers in with the Nursing Home?*

*A. Biron will speak to him after meeting.*

*Q. Group asked if Biron had worked with the new software the County will be converting to, Unifund?*

*A. He confirmed he is familiar with the software and knows that it works well. He suggested using the outside CPA throughout the conversion and indicated he'd give Dodi the name of the CPA after the meeting.*

*2:24 Frank Biron, Dodi Violette, Mr. Hemenway and Julie Woodman left room.*

Copy of year-end audit report provided to Eagle Times Reporter, Kristin Senz, per County Manager's request.

*2:25 Meeting recessed for short break.*

*2:30 Greg Chanis, Facilities & Operations Director, arrived.*

#### **AGENDA ITEM NO. 4. FACILITIES & LAND MANAGEMENT USE**

Draft copy of the *Master Planning Process Outline for Facilities and Land Management Use* distributed to Board of Commissioners. See attached copy.

The four phases were discussed. Phase 1 Design Framework - Group decided to form two committees, one for land use and the other for buildings. Suggestions for committee make up were made. Group agreed it was important to have a Commissioner and Delegate as part of each team. Group agreed the committees would formulate the plans and recommendations, bringing those back to the full Board of Commissioners. Chanis noted that a lot of the land use plan is formulated with the forestry plan currently in place. Comm. Adler suggested bringing in Christmas tree grower expertise. Group wants committees to review needs not being met in community. A few marketing issues discussed: curb appeal and new name for Nursing Home. Contest suggested for latter. County Manager will bring recommendations to next Board meeting regarding the land use. County Manager and Facilities & Operations Director feel they will make the Nov 1<sup>st</sup> time line for Phase I. Phase 2 Inventory and Analysis - Encumbered funds for hiring architect/engineer to look at buildings in Unity in order to assess their structural integrity and potential for renovations vs. demolition were briefly discussed. Facilities & Operations Director and County Manager will be creating RFP. Group discussed holding forums in several Sullivan County towns / city. Phase 3 Development - briefly discussed. Phase 4 Assessment of Alternatives - should have comprehensive plan by end of budget season.

County Manager discussed long-term debt coming to closure in two years.

**3:05 A motion was made to adopt the Master Planning Process Outline for Facilities and Land Management Use, dated October 12, 2004.**

**Motion made by Comm. Clarke.**

**Motion seconded by: Comm. Nelson.**

**Discussion: None.**

**Voice vote: All in favor.**

*Commissioners signed plan. See attached.*

**SIDE NOTES – FACILITIES AND OPERATIONS**

The Facilities & Operations Director, Greg Chanis, discussed locked in fuel prices for the County. He and County Manager talked about tentative plan of changing over fuel from diesel at the DOC facility. Facilities & Operations Director discussed matters regarding an old generator @ the Nursing Home, the work done and what is still needed. They are waiting for a price quote on bearing replacement.

**SIDE NOTE - \$220,000 CD**

Commissioners want this matter “put to bed”. County Manager indicated it has to be warned as such and discussed at the next Annual Convention. Commissioners requested a meeting strictly to discuss the process.

**AGENDA ITEM 5 COUNTY MANAGER’S REPORT**

County Manager requested an Executive Session to discuss a non-labor contract issue. Chair indicated they would skip this agenda item until later in meeting.

**AGENDA ITEM NO. 6 COMMISSIONERS REPORT**

November 18<sup>th</sup> - Development Summit discussed by Comm. Clarke

Comm. Adler recommended County Manager bring the County land/building use plan before WRDC Coordinator, Bob Weaver, for review.

As November 2 - Election Day – is a Newport County Complex Holiday, based on the Superior Court holiday schedule, the next Board of Commissioners meeting was rescheduled to Thursday November 4<sup>th</sup>.

Commissioners indicated any legal opinion from the County Attorney could be discussed at the end of November 4<sup>th</sup> meeting. They asked that the November 2<sup>nd</sup> meeting include the Facilities & Operations Director and would hold this in Executive Session.

**3:33 COUNTY MANAGER’S REPORT CONTINUED ...**  
**COUNTY BUDGET MATTERS**

County Manager handed out the *FY 06 Budget Preparation Time Line*. See copy attached. He discussed the upcoming meeting/tour he was holding with Delegation Candidate, Harry Gale. County Manager indicated Laurie Geer, Commissioners Office staff, was working with his guidance to create a spreadsheet for the Department Heads. That way they can electronically submit their department's budget and allow a quick transfer of figures to the new software program.

#### CURRENT FINANCIAL REPORTS

County Manager passed out quarterly reports.

**3:37 Motion made to go into to Executive Session in order to discuss a pending non-labor contract issue ((Per RSA 91-A:3.II(c)).**

**Motion made by: Comm. Clarke.**

**Motion seconded by: Comm. Nelson.**

**Discussion: None.**

**Roll call vote: All in favor.**

**4:04 Motion made to come out of non-public and adjourn the meeting.**

**Motion made by: Comm. Clarke.**

**Motion made by: Comm. Nelson.**

**Discussion: None.**

**Voice vote: All in favor.**

*Respectfully submitted,*

*Bennie Nelson*

*Bennie Nelson, Chair  
Board of Commissioners*

BN/s.j-c.

☒ **APPROVED**  
By Board @ 10-19-04 Meeting  
SJC